

15.00

GRAHAM & JAMES

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September 29, 1989

(6)

12718-F
WRITER'S DIRECT DIAL NUMBER
(415) 954-0366

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INTERSTATE COMMERCE COMMISSION

9-275A010

The Honorable Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Attention: Mildred Lee

Dear Madam Secretary:

We enclose for recordation pursuant to 49 U.S.C. § 11303 the original and a counterpart of an Assignment and Assumption Agreement, dated as of September 29, 1989.

The Assignment is a secondary document, as defined in 49 C.F.R. § 1177.1(b). It relates to the following primary documents:

1. Conditional Sale Agreement, dated as of January 1, 1981, filed with ICC on January 7, 1981, at 1:35 p.m., Recordation No. 12718; and
2. Lease of Railroad Equipment, dated as of January 1, 1981, filed with ICC on January 7, 1981, at 1:35 p.m., Recordation No. 12718-B.

The names and addresses of the parties to the Assignment are as follows:

Assignor: Wells Fargo Leasing Corporation
101 California Street
Suite 2800
San Francisco, California 94111

Attention: Operations Department

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The Honorable Noretta R. McGee
September 29, 1989
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Assignee: Delos Leasing Corporation
101 California Street
Suite 2800
San Francisco, California 94111

A general description of the railroad equipment covered by the Assignment is as follows:

Fifty-five (55) 105-ton, 4240 cu. ft. gondola coal cars with AAR mechanical designation GTS and bearing identification marks and numbers 18001 through 18055

We request that this Assignment also be indexed under the name of the assignee, Delos Leasing Corporation.

A brief summary of the Assignment to appear in the index follows:

Same units as in above primary documents, as amended, bearing identification marks and numbers 18001 through 18055.

We enclose the fee of \$15.00 for recordation. Please file-stamp and return to Delos Leasing Corporation, c/o BA Leasing & Capital Corporation, Two Embarcadero Center, San Francisco, California 94111, the original Assignment and the enclosed copy of this transmittal letter.

Very truly yours,

GRAHAM & JAMES

By 
John P. Breedlove

JPB:RSB:amb
WFBN 1.103
Enclosures

cc: Robert Darling
John D. Wright
David V. Biesemeyer

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INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of September 29, 1989, is entered into by and among WELLS FARGO LEASING CORPORATION (the "Assignor"), a California corporation, DELOS LEASING CORPORATION (the "Assignee"), a Delaware corporation, and BA LEASING & CAPITAL CORPORATION (the "Successor Assignee"), a California corporation.

WHEREAS, in a simultaneous closing: a) the Assignor wishes to assign, transfer, and convey to the Assignee, and the Assignee wishes to receive and accept, all of the Assignor's right, title and interest in and to the assets set forth in Appendix 1 (the "Assets"), b) the Assignor wishes to sell and transfer to the Successor Assignee, and the Successor Assignee wishes to receive and accept, all of the capital stock of the Assignee, and c) the Assignee wishes to grant the Successor Assignee, and the Successor Assignee wishes to obtain, the right to acquire all of the Assignee's right, title and interest in and to the Assets.

W I T N E S S E T H:

NOW THEREFORE, the parties agree as follows:

Section 1. Assignment of Assets. The Assignor assigns, transfers and conveys to Assignee as of the date hereof all its right, title and interest in and to the Assets. The Assignee accepts and receives all such right, title and interest in and to the Assets.

Section 2. Assumption of Liabilities. The Assignee assumes and agrees to pay when due all liabilities, debts and obligations of the Assignor and its Affiliates (as defined below) hereafter arising incident to the Assets and any agreements related thereto. The Assignor and its Affiliates are released from all such liabilities, debts and obligations, including, without limitation, those arising under any guaranties. The Assignee confirms that as of the date hereof it shall be deemed a party to those agreements set forth in Appendix 1 to which the Assignor is a party, and the Assignee agrees to be bound by all the terms of, and to undertake all such obligations of, the Assignor contained therein. For purposes of this agreement, an "Affiliate" of a party shall mean a person controlling, controlled by, or under common control with such party, provided, however, that the Assignee shall not be an Affiliate of the Assignor.

Section 3. Exception. Notwithstanding the foregoing, the Assignor and the Assignee shall each be entitled, as their respective interests may appear, to pursue claims, and all their rights and remedies related to claims, for (a) payments of indemnity now or hereafter due under the agreements related to the Assets from any obligor thereunder, and/or (b) insurance payments or proceeds, provided, however, that any obligor's liability for such claims shall not exceed the liability it would have incurred if the assignment had not been made.

Section 4. Guaranty. Upon the execution and delivery of this agreement, the Successor Assignee shall execute and deliver to the parties referred to therein the Guaranty attached as Attachment A.

Section 5. Right to Acquire. The Assignee hereby grants the Successor Assignee the right, exercisable by written notice to the Assignee and to the parties listed in Appendix 2, to succeed to all of the Assignee's rights and obligations under this agreement. Effective upon such exercise:

(a) Subsequent Assignment. The Assignee assigns, transfers and conveys to the Successor Assignee as of the date of such notice all its right, title and interest in and to the Assets. The Successor Assignee accepts and receives all such right, title and interest in and to the Assets.

(b) Subsequent Assumption. The Successor Assignee assumes and agrees to pay when due all liabilities, debts and obligations of the Assignee hereafter arising incident to the Assets and any agreements related thereto. The Assignee is released from all such liabilities, debts and obligations. The Successor Assignee confirms that as of the date of such notice it shall be deemed a party to those agreements set forth in Appendix 1 to which the Assignee is deemed a party, and agrees to be bound by all the terms of, and to undertake all such obligations of, the Assignee contained therein.

(c) Subsequent Assignment Exception. Notwithstanding the foregoing, the Assignee and the Successor Assignee shall each be entitled, as their respective interests may appear, to pursue claims, and all their rights and remedies related to, claims for (a) payments of indemnity now or hereafter due under the agreements related to the Assets from any obligor thereunder, and/or (b) insurance payments or proceeds, provided, however, that any obligor's liability for such claims shall not exceed the liability it would have incurred if the assignment had not been made.

Section 6. Miscellaneous. Each party to this agreement shall execute and deliver such instruments, documents and other written information and take such other actions as the other parties may reasonably require in order to carry out the intent of this agreement. This agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument. This agreement is made and entered into in California, and the laws of California shall govern the validity and interpretation hereof and the performance of the parties hereto of their respective duties and obligations.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement.

WELLS FARGO LEASING CORPORATION

By: Robert F. Darling
Its:

By: Joseph B. Schubert
Its:

DELOS LEASING CORPORATION

By: John D. Wright
Its:

BA LEASING & CAPITAL CORPORATION

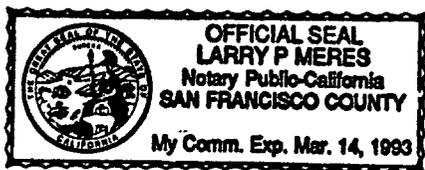
By: Percy L. Kuvick
Its:

ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29th day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared TERRI KWIATEK, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President of BA Leasing & Capital Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.



Larry P Meres
Notary Public in and for said
State

My Commission Expires Mar 14, 1993

ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29TH day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared JOHN D. WRIGHT, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as Secretary of Delos Leasing Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.

Larry P. Meres
Notary Public in and for said State

My Commission Expires Mar 14, 1993



ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29th day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared ROBERT F. DARLING, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as President of Wells Fargo Leasing Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.

Larry P Meres
Notary Public in and for said State

My Commission Expires Mar 14, 1993



ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29th day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared JOSEPH B. SCHUBERT, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President of Delos Leasing Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.



Larry P Meres
Notary Public in and for said State

My Commission Expires Mar 14, 1993

Appendix 1

ASSETS

All right, title and interest of the Owner (as defined in the Participation Agreement dated as of January 1, 1981, (the "Participation Agreement") in and to:

- (1) the Participation Agreement;
- (2) the Lease of Railroad Equipment dated as of January 1, 1981 and the rents and other sums due and to become due thereunder;
- (3) the Guarantee dated as of January 1, 1981;
- (4) The Equipment (as defined in the Participation Agreement); and
- (5) All documents, agreements, certificates and opinions delivered pursuant thereto with all amendments and supplements thereof.

Appendix 2

Notice Parties

Utility Fuels, Inc.
11 Greenway Plaza, Suite 800
Houston, Texas 77046
(713) 888-4500

Attention: Treasurer, Jack Bartell

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza, Ground Floor
P.O. Box 2258
Baltimore, Maryland 21203
(301) 237-5900

Attention: Corporate Trust Department
John Mitchell

Houston Industries, Incorporated
4300 Post Oak Parkway
Houston, Texas 77027
(713) 62903000

Attention: Robert Smith